

DURHAM



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CITY OF MEDICINE

CITY OF DURHAM | NORTH CAROLINA

**Date:** November 7, 2017

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Terry Bellamy, Transportation Director

**Subject:** Purchase Authorization – Replacement Buses for GoDurham

### **Executive Summary**

The City issued a request for bids in 2015 for the purchase of buses, for a five-year contract in coordination and cooperation with The Research Triangle Regional Public Transportation Authority “GoTriangle” and the Town of Chapel Hill. The five-year contract will furnish/provide the City with up to twenty-seven new and replacement 40-foot, low-floor, heavy duty clean diesel buses for the GoDurham bus service. The contract was executed in fiscal year 2016, and fifteen (15) buses have been ordered to date. This purchase authorizes the next order off of the five-year contract for two (2) replacement buses for FY 2018.

### **Recommendation**

It is recommended that the City Council authorize the City Manager or his designee to execute a purchase order for two (2) replacement 40-foot, low-floor, heavy duty clean diesel buses from Gillig, LLC in the amount of \$473,766.00 per bus for a total purchase amount of \$947,532.00.

### **Background**

The City, serving as the Lead Agency, in coordination and cooperation with The Research Triangle Regional Public Transportation Authority “GoTriangle” and the Town of Chapel Hill, issued a request for bids for the purchase of 40-foot, low-floor, heavy duty clean diesel buses, optional equipment, identified spare parts, and special tools over the course of five (5) years between the successful bidder and each individual agency. The only response was received from Gillig, LLC of Hayward, California. Gillig, LLC was the lowest responsive bidder. After a thorough cost and single-bid analyses, it was determined that the bid pricing from Gillig, LLC was competitive and within budget. The City negotiated and executed a five-year contract with Gillig, LLC (Contract #13659 for IFB #16-0009) for up to twenty seven (27) buses (“Original Purchase Contract”).

The Original Purchase Contract expires on June 29, 2021, or 5 years from the date of execution. Under the terms of the Original Purchase Contract, the City has purchased fifteen (15) of the twenty seven (27) buses to date. The administration seeks authority from City Council to issue a purchase order for the purchase of two additional buses. The remaining ten (10) buses for a total number of buses not to exceed twenty-seven (27) over the term of the

Original Purchase Contract will be submitted in future purchase orders to be approved by City Council.

**Issues/Analysis**

The following pricing is in effect for the purchase of the replacement buses.

COMPANY	PRICING
Item No. 1 – Two (2) replacement 40-Foot, Low-Floor, Heavy Duty Clean Diesel Buses (Base Bus Pricing per Bus)	
Gillig, LLC Hayward, CA	\$429,463.00
Bus Options	\$ 33,405.00
Delivery	\$ 6,233.00
Price Adjustment (Inflation – 1%)	\$ 4,665.00
Total Cost per Bus	\$473,766.00

**Alternatives**

- 1) Authorize the purchase off of contract #13659 with Gillig, LLC for new buses.
- 2) Do not authorize the purchase off of contract #13659 with Gillig, LLC; federal funds earmark will be forfeited. Moreover, the City will not meet its stated bus replacement/ expansion goals.

**Financial Impact**

The total cost for the purchase of two (2) 40-foot, low-floor, heavy duty diesel buses shall not exceed \$947,532.00 (or \$473,766.00 per bus). Funding for this contract has been established within the following accounts: 5300U050-732306-UBF96 (\$856,374) and 5300U050-732306-UPROG (\$91,158).

**UBE Summary**

Gillig is subject to Federal DBE program/reporting requirements, and was certified for 2015 – making them eligible to bid on contracts of Federal Fiscal Year and the Department of Equal Opportunity /Equity Assurance therefore did not review the item for compliance with the Ordinance to Promote Equal Opportunities in City contracting.

**Attachments**

Exhibit D: Price Summary 9-26-17  
Purchase Order